



DRAFT MINUTES

CITIZENS BOND REVIEW COMMISSION

**Thursday, May 5, 2005
Human Resources Building, Pinnacle Room
7575 E. Main Street
Scottsdale, Arizona 85251**

CALL TO ORDER

A regular meeting of the Scottsdale Citizens Bond Review Commission was called to order at 5:05 p.m.

ROLL CALL

Present: Steven Sagert, Chairman
Sam West, Vice Chairman
(absent at roll call, arrived at 5:19 p.m., left at 6:31 p.m.)
Don Adams
Larry Beckner
Judy Brotman
Judy Frost
Paul Hughes
Tom Lanin
Will Magoon
Don Raiff
Eric Schechter
(absent at roll call, arrived at 5:19 p.m.)
Sue Sisley
(absent at roll call, arrived at 5:23 p.m.)
Lee Tannenbaum

Staff: Roger Klingler, Assistant City Manager
Craig Clifford, Chief Financial Officer
Al Dreska, Municipal Services General Manager
Don Penfield, Facilities Management Director
Dave Meinhart, Transportation Planning Director
Deb Baird, Community Services General Manager
Gary Meyer, Facilities Planning Manager
Judy McIlroy, Senior Budget Analyst
Sylvia Romero, Senior Budget Analyst, CIP Coordinator

APPROVAL OF MINUTES OF FEBRUARY 3, 2005 MEETING

Commissioner Adams suggested that the February 3, 2005 minutes be amended as follows:

Correct spelling of Commissioner Beckner's name (first page).

Amend second page to state:

"Chairman Steven Sagert was reelected to a second full term as Chairman."

COMMISSIONER BECKNER MOVED THAT THE MINUTES OF THE FEBRUARY 3, 2005 MEETING BE ACCEPTED AS AMENDED. COMMISSIONER TANNENBAUM SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY.

INTRODUCTION OF NEW BOND COMMISSIONERS

Chairman Sagert asked those present to introduce themselves for the benefit of the new members of the Commission.

NEW BUSINESS

A. Financial Overview

Mr. Clifford reported on the status of Bond 2000 projects. Many projects have commitments in place and that therefore remaining funds will be spent within the next six months to a year. A fall bond issuance of approximately \$125 million is currently being planned, which will represent about 60% of the bonds authorized in 2000.

Mr. Clifford spoke regarding the cost to the City of debt service and the effects on property taxes. His department is making every effort to ensure that debt is managed responsibly and that the impact on citizens is marginal. In response to questions from Commissioners, Mr. Clifford stressed that this information applies to the entire City and it is not appropriate or even possible to discuss average changes in property taxes, which could be misleading to individual citizens.

Mr. Clifford reported that he has been in contact with credit rating agencies in connection with a bond issuance for the spring training facility. These have reaffirmed the City's good credit rating.

COMMISSIONER FROST MOVED TO RECOMMEND THAT CITY COUNCIL APPROVE THE BOND SALE TO FUND PROGRAMS THAT THE COMMISSION HAS APPROVED. SECONDED BY COMMISSIONER RAIFF. THE MOTION PASSED UNANIMOUSLY.

B. Status of Bond 2000 projects – Question # 1, Library and Park Improvement Projects

Mr. Klingler reported that originally the plan was to take seven to ten years to complete the projects; however, due to budget restrictions, the plan was subsequently changed to take ten to twelve years. It is currently anticipated that 67% of the bond issuance for Question 1 will have been issued by the end of the fifth full year of the program. Three projects are expected to open in the next fiscal year: CAP Basin Sports Complex, the McDowell Mountain Ranch Park and Aquatic Center, and the Scottsdale Senior Center at Granite Reef. He pointed out that these openings will have significant impacts on the operating budget as staff are hired to operate the new facilities. About 40 staff in total are expected to be hired with a projected cost of \$2 million. In response to a question, Mr. Klingler advised that the City's credit rating will not be adversely affected by the issuance of bonds.

A discussion took place about future park projects which are not in the current five-year plan. Commissioners asked whether the park projects which are not planned to be started within the next five years could be moved up. Staff outlined the many financial, community and regulatory factors to be taken into consideration in these decisions. Commission members asked whether it was possible to get a sense of the net result of cost increases due to inflation balanced against savings from lower than originally anticipated interest rates. Mr. Clifford replied that many other factors must be taken into consideration and that interest rates fluctuate constantly. An answer would be oversimplified and could be misleading.

C. Proposed Bond 2000 Projects Tour

Chairman Sagert reminded Commissioners that the tour is scheduled for Saturday, May 7, 2005 from 8:15 A.M. to 12:15 p.m. Commissioners' family members were welcome to attend. City staff distributed copies of the route map.

D. August Quarterly Meeting

COMMISSIONER TANNEBAUM MOVED THAT THE MEETING PLANNED FOR AUGUST BE MOVED TO THURSDAY, SEPTEMBER 8TH, 2005. SECONDED BY COMMISSIONER RAIFF. THE MOTION PASSED UNANIMOUSLY.

Open Call to the Public – None

Presiding Officer's Summary of Current Events

Chairman Sagert asked that inquiries from the press and public be channeled through him to avoid confusion and misperceptions. He expressed his delight that all Commission members were present at the current meeting.

Staff had compiled and distributed a listing of contact information for the Commission.

Adjournment

With no further business to discuss, the meeting adjourned at 6:39 p.m.

Respectfully submitted,
Ruth Bahri
A-V Tronics, Inc.